
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: Natural Resources Subcommittee

From: Linda Gilbert, Legislative Fiscal Office
(503) 986-1845

Date: April 24, 2013

Subject: House Bill 2248
Public Hearing and Work Session Recommendations

House Bill 2248 conforms statutes related to mineral mining. It applies chemical (leach) mining statutes to all metal mines, except those using only gravity separation. The measure also increases several fees. The fees are rarely charged and will not affect present budget assumptions. Future revenues could possibly be affected.

The measure passed out of the House Committee on Agriculture and Natural Resources March 28 on a 7-2-0 vote.

Motion: Move House Bill 2248 to the full committee with a “do pass” recommendation.

Assignment of Carriers

Full: _____

2nd Chamber: _____

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass and Be Referred to the Committee on Ways and Means
Vote:	7 - 2 - 0
Yeas:	Clem, Esquivel, Krieger, McKeown, Reardon, Unger, Witt
Nays:	Thompson, Whitsett
Exc.:	0
Prepared By:	Beth Patrino, Administrator
Meeting Dates:	2/28, 3/28

WHAT THE MEASURE DOES: Amends certain statutes related to mineral mining to encompass additional types of mining and makes conforming amendments. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

- Metal mining is currently regulated under two different statutes
- Consolidated permitting process for chemical mines
- Proposed gold mine in eastern Oregon

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Department of Geology and Mineral Industries' (DOGAMI) Mined Land Regulation and Reclamation Program administers the regulatory program for surface and metal mining and oil, gas and geothermal energy extraction in Oregon.

Metal ores are typically processed using one of three processes. The first process uses gravity and water to separate metal from the ore. The second type of process, froth flotation, separates and concentrates ores by altering their surfaces so that they are either repelled or attracted by water. This method may be used as an alternative or in addition to gravity separation. The third type of process leaches metals from the ore using chemicals like acid or cyanide.

In 1991, the Legislative Assembly enacted a new regulatory program for metal mines that use chemicals to leach metals from mined ore. A separate regulatory program currently applies to all other metal mines. House Bill 2248 would apply the chemical mine statutes to all metal mines except those using only gravity separation.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2248

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Krista McDowell
Reviewed by: Linda Gilbert, Paul Siebert
Date: 3/26/2013

Measure Description:

Expands certain statutes related to mineral resources to encompass additional types of mining.

Government Unit(s) Affected:

Department of Geology and Mineral Industries (DOGAMI), Cities, Counties, Special Districts,
Department of Environmental Quality (DEQ)

Summary of Expenditure Impact:

The proposed legislation has been determined to have
MINIMAL EXPENDITURE IMPACT
on state or local government.

While this individual measure has a “Minimal” fiscal impact, an agency may incur a net fiscal impact greater than minimal depending on the cumulative impact of all measures enacted into law that affect the agency.

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The Legislative Fiscal Office believes this measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of this measure’s budgetary impact. While the proposed fee changes will not affect present budget assumptions, there exists a potential that revenue assumptions may be affected in future biennium.